

Queensland Revenue Office

2021–22 Regulator Performance Framework Report

1. Ensure regulatory activity is proportionate to risk and minimises unnecessary burden

Supporting principles

- **A proportionate approach is applied to compliance activities, engagement, and regulatory enforcement actions.**
- **Regulations do not unnecessarily impose on regulated entities.**
- **Regulatory approaches are updated and informed by intelligence gathering so that effort is focussed towards risk.**

Queensland Revenue Office (QRO) employs risk-based revenue management, which involves a structured approach to identifying, assessing, prioritising and mitigating risks to improve tax compliance.

The QRO annual compliance cycle is based on Organisation for Economic Co-operation and Development (OECD) best practice, to manage the risks associated with taxpayer non-compliance and maintain the integrity and confidence of the public in the revenue system. The compliance cycle incorporates:

- an environmental scan that provides a view on QRO's external and internal operating environment
- a detailed view of the overall health of each revenue product line, including internal and external factors
- a risk assessment to identify, assess and prioritise revenue risks.

The QRO compliance model aligns with the concept of responsive regulation that is based on taxpayers' motivations.

QRO compliance programs provide a graduated response, making it easy for those who want to comply and applying credible enforcement to those who don't. Risk treatment strategies employed are dependent on the factors that drive specific compliance behaviours. There is a balance of treatments from compliance and enforcement activities, to targeted education and engagement activities that align with the compliance model. QRO publishes general information online about its compliance approach.

QRO's client insights program uses software solutions to deliver insights into taxpayer behaviour and drivers, enabling QRO to transform interactions with clients, leading to improved client outcomes. Behavioural economics provides the opportunity to nudge clients towards decisions that will help them comply and meet their obligations. For example, client insights derived from focus groups and control trials that were run in 2020-21 were embedded into the design of the 2021-22 land tax engagement for first time taxpayers. A reminder campaign utilising SMS and email to nudge eligible clients to apply for their exemption has been built into the engagement cycle.

Data is driving significant change within QRO, as new technologies provide opportunities to make it easier for taxpayers to manage their obligations and for QRO to identify revenue risks. A new suite of tools now enables QRO to make faster, better informed, data-driven decisions to ensure taxpayers are meeting their obligations, leading to improved outcomes for taxpayers. New technologies are making it easier for QRO to gain new and meaningful insights into taxpayer behaviour and detect risk behaviours, which enables QRO to reach taxpayers earlier, so they can make changes or rectify any errors.

2. Consult and engage meaningfully with stakeholders

Supporting principles

- **Formal and informal consultation and engagement mechanisms are in place to allow for the full range of stakeholder input and government decision making circumstances.**
- **Engagement is undertaken in ways that helps regulators develop a genuine understanding of the operating environment of regulated entities.**
- **Cooperative and collaborative relationships are established with stakeholders, including other regulators, to promote trust and improve the efficiency and effectiveness of the regulatory framework.**

Collaborative relationships have been established between QRO, industry bodies, inter-jurisdictional revenue offices, and where appropriate and possible, individual taxpayers.

The Commissioner of State Revenue has established a number of committees to maintain cooperative and collaborative relationships. These include:

- Taxation Consultative Committee – the main consultative body assisting QRO improve revenue administration. Membership is made up of senior members of QRO, representatives of major tax, law, and accounting professional firms and industry associations.
- Resource Consultative Committee – the main consultative body assisting QRO to improve revenue administration as it applies to the resource industry. Membership comprises senior QRO staff and representatives of industry associations.
- Property Consultative Committee - the main consultative body assisting QRO to improve revenue administration as it applies to the property industry. Senior members of QRO are joined on this committee by representatives of industry associations.

QRO is represented on several interjurisdictional committees, which provide an important and valuable network to share information on revenue administration constructively, collaboratively and in a timely manner.

QRO is committed to client engagement as a means of improving the administration of Queensland's revenue system. Client engagement activities in 2021-22 included:

- QRO developed and implemented of a Public Education Strategy to provide a framework to guide QRO's public education activities and enhance its capabilities in educating the public.

- In the 2021-22 financial year, 67 new community organisations were approved to join the Hardship Partner Program, bringing the total number of partners to 187. These partners deliver Work and Development Orders to the State Penalties Enforcement Registry (SPER) debtors who are experiencing genuine hardship and cannot afford to pay their penalty debt. This resulted in the discharging of \$3.4M of penalty debt last financial year.
- 16 in-person Payroll Tax seminars were attended by more than 800 participants in total.
- 29 online live Payroll Tax webinars were attended by more than 4,000 participants in total.
- 33 Right to Information / Information Privacy applications were managed.
- Proactive media opportunities including SPER enforcement activities generated statewide media coverage to educate clients on their obligations and the consequences of not paying their debt.
- Human rights always considered – checklist completed for all objections and possible human rights issues addressed in all policy briefings and legislative material.

The annual QRO Client Satisfaction Survey is a key performance indicator used to gauge the experience and satisfaction of QRO clients in relation to the services provided. The survey reflects customer satisfaction regarding quality, timeliness, fairness, information, staff knowledge, courtesy accessibility and outcome. QRO achieved an overall satisfaction rate of 70% in 2021-22.

3. Provide appropriate information and support to assist compliance

Supporting principles

- **Clear and timely guidance and support is accessible to stakeholders and tailored to meet the needs of the target audience.**
- **Advice is consistent and, where appropriate, decisions are communicated in a manner that clearly articulates what is required to achieve compliance.**
- **Where appropriate, regulatory approaches are tailored to ensure compliance activities do not disproportionately burden particular stakeholders (e.g. small business) or require specialist advice.**

QRO publishes step-by-step guides and tutorials for the QRO Online portal and provides a number of interactive tools to:

- assist clients to determine eligibility for home concession, first home owner grant and land tax home exemptions
- help payroll tax self-assessors determine liability
- help to enter online transactions for vehicle registration duty and for transfer duty self-assessors
- help people estimate transfer duty and vehicle registration duty.

QRO publishes public rulings which evidence the Commissioner of State Revenue's legal interpretations and assessment practices to provide consistency and certainty for taxpayers. In 2021-22 a total of 14 public rulings were published.

QRO has an online chatbot called 'Sam' that provides a digital channel for clients to engage with QRO 24/7 on routine enquiries. Sam was deployed to payroll tax webpages in February 2018 and to all remaining revenue lines in July 2018. From February 2018 to 30 June 2022, Sam logged more than 123,600 taxpayer interactions, with over 85 per cent of enquiries being resolved at first contact.

QRO provides up-to-date online information for clients including the rates of duties, taxes and royalties, and interest and penalty rates on the Queensland Government and Queensland Treasury websites.

QRO uses social media to provide targeted education that supports clients in meeting their obligations, including YouTube videos which received approximately 27,500 views in 2021-22. The news board in QRO Online offers timely alerts in relation to key dates and changes that affect client obligations. Clients can also subscribe to email updates of key information across QRO's revenue product lines.

Examples of targeted support in 2021-22 are detailed below:

- QRO made enhancements to online tools and resources to enhance usability and minimise data errors. These include Land tax home exemption automation enhancement, royalty refund process improvement, and the transfer duty end-to-end process.
- Sole Trader Grant – QRO rapidly implemented processes and systems to support timely administration of one-off grants for eligible non-employed sole traders. The grant was available to a sole trader that had been required to stop operating or limit the business' operations because of a COVID-19 lock down event, or a COVID-19 border closure event.
- Border Business Zone Hardship Grant – QRO adapted its processes and online information to support provision of a one-off grant for non-employed sole traders in the Qld-NSW border area that received, or were eligible to receive, an initial sole trader grant and were continuously affected by a border closure event between 14 August and 14 October 2021.

4. Commit to continuous improvement

Supporting principles

- **Regular review of the approach to regulatory activities, collaboration with stakeholders and other regulators to ensure it is appropriately risk based, leverages technological innovation and remains the best approach to achieving outcomes**
- **To the extent possible, reform of regulatory activities is prioritised based on impact on stakeholders and the community.**
- **Staff have the necessary training and support to effectively, efficiently and consistently perform their duties.**

In November 2021, the Office of State Revenue changed its name to Queensland Revenue Office. Feedback from clients who operate in multiple jurisdictions found that it was difficult to distinguish between revenue offices. The new name is in line with a growing number of other jurisdictions who also feature their state/territory name in their title and would reduce the risk of clients lodging returns and remitting payments to the wrong jurisdiction.

The 2021–22 financial year saw the passage of significant legislation that enables the modernisation of SPER's operations and supports QRO to administer the range of revenue measures outlined in the government's 2022–23 Queensland Budget.

Through key initiatives, including the Debt Recovery and Compliance Program and Fine Modernisation Program, QRO is driving improvements in the efficiency of collection, the experience of our clients and the revenue we collect for Queenslanders. The Fine Modernisation Program will streamline fine administration and improve debt collection in Queensland, realising a key government commitment.

2021-22 was also the year that QRO introduced projects designed to offer a service delivery model to councils to support them in debt collection activities and develop new methods for easing the administrative burden on taxpayers.

Business process improvements and changes to support the revenue measures announced in the State Budget 2022 were some of the key activities that underpinned strong compliance and revenue outcomes.

QRO continued to improve its key technology systems, as well as enabling the administration of new grants across government and a proof of concept for local government area debt collection.

During 2021-22, QRO initiated a project to optimise client experience by implementing a best practice contemporary contact centre, including delivery of quality assurance processes, review of service standards, identification of efficiency opportunities, consolidation of service delivery, and implementation of reporting mechanisms.

As part of its legislative program, QRO continually reviews the legislation it administers and progresses amendments as necessary to maintain the currency of the legislation and ensure its ongoing proper operation. A range of factors will be considered in prioritising amendments for progression including, for example, the need to clarify the intended operation of the legislation to provide certainty for stakeholders.

QRO also provides comprehensive training to all staff on the legislation it administers, including online modules, face-to-face and work-based learning. Training is delivered at induction for new staff and as a refresher for existing staff.

Training needs analysis is undertaken annually to identify skill and capability gaps across QRO which are used to guide continuous improvement of training programs.

QRO in-house Chief Revenue Counsel provides advice to staff on taxation, royalty and penalty debt legislation, as well as advising government on new revenue policy and legislation.

5. Be transparent and accountable in actions

Supporting principles

- Where appropriate, regulatory frameworks and timeframes for making regulatory decisions are published to provide certainty to stakeholders.
- Decisions are provided in a timely manner, clearly articulating expectations and the underlying reasons for decisions.
- Indicators of regulator performance are publicly available.

The QRO Client Charter promotes an open and fair relationship with clients in accordance with the law. It outlines our commitment to clients, client obligations and service standards and applies to all compliance activities that we conduct. It is available on the Treasury website.

Information about QRO's objectives, functions, activities and performance is available in Queensland Treasury's Annual Report and Service Delivery Statements which provide budgeted financial and non-financial information. They are key tools used to ensure QRO is accountable for its activities.

Certain decisions made by the Commissioner of State Revenue can be reviewed through a range of avenues, including by formally objecting against an assessment of tax or notice requiring repayment of a grant, and seeking further review by tribunals and courts if dissatisfied with a decision on an objection. Clients can also seek assistance from the Queensland Ombudsman.

For reviews under part 6 of the *Taxation Administration Act 2001*, the Commissioner must give a written notice on deciding an objection. The notice must set out the reasons for the decision, rights to appeal and review, and the period in which an appeal or review must be filed.

Online forms are available for clients to submit a complaint or compliment about QRO's administration or quality of service. QRO's goal is to resolve complaints within 30 days. If clients are not satisfied with the resolution of the complaint, they can ask for a further internal review. Information about QRO's complaint management is available in Queensland Treasury's Customer Complaints Annual Report

Clients who have exercised review rights about their revenue assessments or who have lodged a complaint are offered the opportunity to participate in QRO's 'Get involved' client survey to provide feedback on the process. QRO uses this continuous feedback to refine and improve its processes.